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Performance-Based Acquisition Model of Excellence:

Coast Guard's Integrated Deepwater System

By Catherine Poole

The General Accounting Office recently hailed the Coast Guard's acquisition planning for the [Deepwater] program as "among the best of the federal agencies we have evaluated."

One of the most comprehensive acquisition programs in the federal government has navigated through challenging and uncharted waters … and has emerged as a model of excellence. The multibillion-dollar Integrated Deepwater System recapitalization program is at the core of the Coast Guard's future ability to meet its mission.

The General Accounting Office recently hailed the Coast Guard's acquisition planning for the program as "among the best of the federal agencies we have evaluated."[1] In fact, the program has demonstrated many of the critical ingredients required for success, notably strong leadership, a committed team, and positive performance incentives. Most importantly, it established clear objectives—tied to the service's mission—against which industry had the flexibility to propose innovative, cost-effective solutions. As a result, the Deepwater contract was awarded using a mission-driven performance-based approach, following an *extensive* due-diligence process. The approach has aligned both parties—government and contractor—toward meeting the same objectives … and has set the program on a voyage to success.

This *Advisory* presents a case study on the use of a performance-based acquisition approach in the Coast Guard's Deepwater Program and the lessons learned that might be applied by others in their quest for acquisition excellence.

WHAT ARE THE CORE OBJECTIVES OF THE PROJECT?

Driving the Integrated Deepwater System requirement is the near-term "block obsolescence" of the vast majority of Coast Guard capital assets. The Coast Guard's Deepwater cutters are the 37th oldest of 39 similar fleets worldwide. Eighty-six percent of Deepwater surface and air assets (260 of 301) have reached or will reach their end of planned service life within five years. The aging inventory of cutters, patrol boats, aircraft, helicopters, and systems is degrading the Coast Guard's mission performance.

As the lead federal agency for Maritime Homeland Security (MHLS), Deepwater assets—including robust C4ISR (command, control, communications, computers, intelligence, surveillance, and reconnaissance) and integrated logistics systems—will make key contributions to the successful implementation of the Coast Guard's new MHLS strategy. In short, Deepwater's new and upgraded platforms and systems are urgently needed to transform Coast Guard operational capabilities to meet 21st-century national security requirements. In the most basic terms, the program's objective is to ensure the Coast Guard's ability to perform all of its multiple missions for nearly the next half century with optimal operational effectiveness and minimal total ownership costs. As a means to that end, the Coast Guard sought to competitively acquire a business process re-engineering effort to improve

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operational effectiveness and minimize total ownership cost that could potentially span more than 30 years. The Integrated Deepwater System (IDS) is the Coast Guard's recapitalization program to meet its mission needs through an "integrated system of surface; air; command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR); and logistics assets." The Coast Guard is breaking new ground with a "system of systems" IDS acquisition strategy. The core objective? To maximize operational effectiveness while minimizing total ownership costs.

YOU MENTIONED THE COAST GUARD SOUGHT TO RECAPITALIZE ITS ASSETS USING A "SYSTEM-OF-SYSTEMS" ACQUISITION STRATEGY. WHAT DOES THAT MEAN?

The Coast Guard operates and maintains multiple platforms and support systems including—

- surface;
- air;
- command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR); and
- logistics assets.

Today's aging platforms and systems, unfortunately, have significant interoperability limitations—within the Coast Guard and with the other armed services and federal agencies. The Deepwater project seeks to integrate new platforms and upgraded legacy assets into what it calls a "system of systems." Coast Guard officials envisioned a contract with a single systems integrator responsible for full implementation and achievement of the Coast Guard's objectives. Rather than replacing assets on a one-for-one basis (the traditional platform-centric approach), the Coast Guard has assessed its requirements for modernization and recapitalization across all mission areas and platforms based on high-level performance specifications for its entire system.

DOES THIS MEAN THE COAST GUARD WAS LOOKING TO BUY INFORMATION TECHNOLOGY (IT) CAPITAL ASSETS?

Not necessarily. While the Coast Guard acknowledged that IT and a new C4ISR architecture would be an important part of the solution, it was *not* specifically contracting for IT. In fact, it was important to the Coast Guard that all parties share the understanding that the Coast Guard did *not* craft the acquisition simply as a capital asset replacement program.

The Coast Guard took the approach of describing its *mission needs* (in the form of system-performance specifications) and seeking from private industry an integrated "system-of-systems" *solution* that will, in essence, recapitalize and transform its Deepwater force structure. As stated in the Integrated Deepwater System Mission Need Statement—

> *The goal of this effort is not to replace ships, aircraft, and sensors with more ships, aircraft, and sensors, but to provide the Coast Guard with the functional capabilities required to achieve mission success safely. Although some traditional assets will undoubtedly result from Concept Exploration, the system mix could also include some very nontraditional tools. It is critical that the Deepwater system be viewed in its totality in order to develop a unified, strategic overview, ensure asset comparability and interoperability, and provide the most affordable solution for the taxpayer.*

In focusing on the desired outcome—the "end in mind"—rather than the specific method or the assets, the Coast Guard expanded the range of potential solutions, harnessed industry's innovation, and opened the door to new methods of performing its missions.

The Coast Guard's core objective: Maximize operational effectiveness while minimizing total ownership costs.

CAN YOU PROVIDE AN EXAMPLE TO ILLUSTRATE THE FOCUS ON THE MISSION VERSUS ASSETS?

A good example is the tracking of icebergs, now performed by manned aircraft that fly over the North Atlantic every two days to observe and report iceberg locations to mariners. In a typical capital-asset acquisition, the functional line office would justify a new aircraft. The line office could even take

the approach of saying that the airplane must have a range of "x" miles and could (legitimately) call the acquisition performance-based. However, the Coast Guard has taken the description of its need one critical (and very rare) step further … by saying the requirement is to "track icebergs."

If tracking icebergs can be done more cost effectively by satellites, sensors, and imaging technology, competing contractors can propose this, or other solutions. The requirement is to locate and track icebergs. It is *not* to acquire a better, faster, more capable manned aircraft to locate and track icebergs. The result is that the Coast Guard has not limited the potential solution set by the way it has described the requirement. The competing contractors can build an innovative solution using the most effective types and mix of resources.

THIS SOUNDS QUITE INNOVATIVE … EVEN RISKY. HOW DID THE COAST GUARD PLAN TO MANAGE THE RISK?

Risk is part of every acquisition. There will always be significant cost, schedule, and performance risks inherent in projects of this size, scope, and complexity. The Coast Guard established guiding principles for the acquisition that relate well to the OMB Capital Programming Guide's key principles for managing risk, specifically—

- A performance-based systems engineering approach will be applied to a system of systems with which the Coast Guard will perform its Deepwater missions.
- Commercially available and non-developmental items will be used as the building blocks, components, and assets of the IDS. Asset and system readiness will be used as indicators of future operational effectiveness.
- Success will be measured by Deepwater-wide mission operational effectiveness and total ownership cost, not individual asset performance.

The risk mitigation strategy also included—

- Avoiding or limiting the amount of development work;
- Making effective use of competition;
- Incorporating modular designs in capital assets; Using phased, successive segments (such as the two-phase approach and successive award terms—more on these concepts below);
- Funding phase one (extending planning and tapping the private sector for research, planning, and innovation);
- Emphasizing benefits and costs in line with IDS objectives to maximize operational effectiveness and minimize total ownership cost;
- Using earned value and similar performance management systems;
- Development of a sophisticated post-award, baseline-tracking program to provide measurement of the operational effectiveness of both the Coast Guard's legacy baseline and the contractor's solution;
- Inclusion of "exit ramps" in the contract should the contractor's performance falter, via award term provisions.

The highly qualified Integrated Deepwater System program office and the high degree of executive-level support for this mission-critical acquisition also serve to mitigate risk.

WHAT WAS THE ACQUISITION STRATEGY?

A two-phased acquisition approach was used. In phase one, three industry teams were awarded competitive contracts in 1998 to develop their IDS concepts and solutions as functional designs that would meet the Coast Guard's objectives. During this three-year phase, contractors fully developed their solutions and operational concepts, identified asset performance and cost information, and prepared to propose a phased plan for the acquisition and deployment schedule. In phase two, the Coast Guard would release the RFP to the three teams to select, on a best-value basis, a single contractor to implement the winning solution.

SO, WOULD YOU CONSIDER PHASE ONE A "DUE-DILIGENCE" PERIOD?

That is exactly what it was. Phase one of the acquisition had three competitively selected, highly qualified contractor teams working to understand the Coast Guard's mission needs, to survey the state of the marketplace and the range of potential solutions, and to craft unique and innovative solutions to meet those needs. This acquisition best practice is often referred to as "due diligence."

Its effect can be simply summarized: The more contractors know about agency or program culture, constraints, and requirements, the more likely that they will be able to propose innovative, yet workable solutions. In this case, for *three years*, three highly qualified teams worked to "fine tune" their solutions to maximize operational effectiveness and minimize total ownership costs.

The RFP did not include performance measures. Instead, it directed the offerors to identify in their proposals a performance-measurement plan that supported their proposed solutions. We strongly recommend this approach.

As a result of this extensive planning and research, it was anticipated that all proposals would offer the Coast Guard effective technical solutions to mission requirements, mindful of restrictions of cost and not-to-exceed out-year pricing controls.

CAN YOU DESCRIBE THE PHASE TWO RFP PROCESS?

The Coast Guard released the phase two Request for Proposals to the three teams in late June 2001 to select, on a best value basis, a single contractor to implement the winning solution. The winning proposal would form the contractual baseline for both improved operational effectiveness and reduced total ownership costs.

The RFP allowed the teams wide latitude to refine their proposed solutions, based on their knowledge of the Coast Guard's objectives and constraints gained during the three-year due-diligence period. The teams had three months to prepare their final proposals, which were evaluated based on four evaluation criteria:

(1) operational effectiveness,
(2) total ownership cost,
(3) management capability, and
(4) technical feasibility.

In the context of Deepwater, total ownership cost is composed of lifecycle cost *plus identifiable increases or decreases outside the IDS incurred by the Coast Guard because of the IDS.* The evaluation was conducted by close to 30 full-time evaluators, hand-picked to ensure high operational, technical, contracting, and management expertise, as well as numerous part-time evaluators and more than 400 part-time technical advisors from the Coast Guard and other government agency centers of excellence. This evaluation team spent close to 60,000 man-hours to complete a very detailed and comprehensive evaluation and, ultimately, to arrive at its recommendations and final decision.

WHAT PERFORMANCE MEASURES WERE INCLUDED IN THE RFP?

The RFP did not include performance measures. Instead, it directed the offerors to identify in their proposals a performance-measurement plan that supported their proposed solution. We strongly recommend this approach. In the traditional approach to drafting a performance-based acquisition, the government would be tasked to identify the performance measures and metrics. However, in situations where the solutions are not known—in true performance-based acquisitions where the government allows industry to propose the solutions—it is unrealistic for the government to fully define how performance will be measured because it does not know what the contractors' approaches and solutions will be.

Allowing the competing firms to propose their measures and metrics for performance measurement and tracking, *consistent with each firm's unique approach and solution*, allowed the Coast Guard not only to evaluate the solution, but also the quality of the metrics and where the metrics "set the bar" for meeting performance specifications. Further, the quality of the metrics, including the linkage of what and how performance will be measured, provides a unique insight into how well the contractor understands the relationship between its solution and mission achievement. It shows not only who has the best solution, but also who can provide the best way to measure and track that solution's performance against the overarching program requirement of *maximizing operational effectiveness while minimizing total ownership cost*s. In this manner, the performance baseline will be established in the contract and the contractor will be assessed against that baseline periodically throughout contract performance. Success will be measured by Deepwater-wide mission operational effectiveness and total ownership cost—not individual asset performance.

Because the successful contractor's proposal would set the baseline for performance, the Coast Guard sought to establish from the outset the essential "public-private partnership" that such a mission-essential acquisition demands. There are many, many benefits of this approach, but chief among them is that the Coast Guard would be soliciting (and would benefit from) the innovation, resourcefulness, and creativity of the private sector in solving problems … all being proposed in a competitive environment.

WHAT INCENTIVES FOR PERFORMANCE ARE INCLUDED?

There are several incentives built into the contract to incentivize the contractor to provide superior performance.

First, the contract is established on an "award-term" basis. The contract was awarded with a five-year base term, with options to award up to five additional five-year terms. While the acquisition has the *potential* for a 30-year contract life, contract terms will be awarded only if merited, and then in increments based on the contractor's performance. The contractor will be appraised annually to determine if its current level of performance would earn them a five-year extension. This annual appraisal serves as 'interim' performance feedback prior to formal notification of the contract extension.

Second, the contract includes an award-fee motivator, in which the amount of fee (profit) is dependent on the contractor's performance against the program baseline for each review period. Properly used, the award-fee incentive can be a powerful tool that identifies and rewards superior performance as well as recognizes areas for increased contractor attention. As the prime contractor's systems integration effort is so critical to meeting performance objectives, we believe it is essential to adopt an incentive structure that allows periodic assessment of the quality of the provided service and achievements against performance objectives.

The incentive program is directly linked to the contractor-proposed, government-approved performance measures and metrics. It also incorporates value engineering change provisions (VECP) and share-in-savings strategies that reward the contractor for suggesting innovations that improve performance and reduce total overall cost. Quite simply, the acquisition was *set up so that the contractor can make more money saving the Government's money, than spending it.* If the incentives are right, and if the contractor and the agency share the same goals, risk is largely controlled and effective performance is almost the inevitable outcome. This approach helps ensure that the contractor is just as concerned — generated by self-interest in winning all available award fees and award terms — about every element of contract performance, whether maximizing operational efficiency overall, reducing subcontract costs, or ensuring the adequacy of post-award subcontractor competition and reasonableness of prices, as is the Coast Guard.

In many regards, the incentive aspects of this contract represent the ultimate in risk reduction. Aligning the Coast Guard's and contractor's goals and objectives results in shared responsibility for contract success.

We anticipate that the performance-based and incentive-based structure of this contract will harness powerful pressures to meet performance and cost-reduction goals, significantly reducing program risk. The incentive structure will encourage both the contractor and the Coast Guard to be vigilant about removing obstacles that may hinder the achievement of the overall program goals. For example, if a new technology allows equipment to be operated with fewer Coast Guard personnel, and the Coast Guard fails to reduce related manning levels, the contract's incentive arrangements should alert both the contractor senior management and the Coast Guard that efficiencies are not being achieved. The contract's share-in-savings provisions which are linked to achieving operational effectiveness and reducing total ownership costs will help avoid this type of obstacle.

YOU MENTIONED THAT THE COAST GUARD WOULD ESTABLISH A "PUBLIC-PRIVATE PARTNERSHIP" WITH THE WINNING CONTRACTOR TEAM. WHAT DOES THAT REALLY MEAN?

The public-private partnership is breaking new ground in acquisition teaming by allowing each partner to bring its strengths to the fore in a collaborative effort to deliver the best performance-based solutions possible. The Coast Guard brings expert knowledge of its operational requirements and retains its traditional oversight function. Industry brings its technical resources, engineering expertise, acquisition experience, and creativity. The public-private team will share the burden of effort and establish a stable relationship as it works to achieve common goals.

The Coast Guard and the contractor, Integrated Coast Guard Systems, LLC—a combined team of Lockheed Martin and Northrop Grumman—signed an official partnering agreement. In the agreement, the team established "partnership tenets" as follows—

- Common motivation and a sense of shared destiny in the results;
- Open communication with maximum disclosure;
- Business conducted in an atmosphere of mutual trust;

Aligning the Coast Guard's and contractor's goals and objectives results in shared responsibility for contract success.

- Proactive risk management by anticipating, airing and resolving problems promptly;
- Issue resolution at the lowest possible level; and
- Consensus the preferred decision-making process.

In keeping with its pursuit of "shared objectives," the team works side-by-side in shared workspaces, with seating organized by function rather than by government/contractor affiliation. The challenges in developing a true partnership should not be minimized. It must be based on high levels of trust, teamwork, open communication, and an unwavering focus on performance improvement.

The IDS model of partnering to manage change also extends to Deepwater's efforts to establish joint competencies with the 21 other agencies in the Department of Homeland Security, the armed forces, and other stakeholders.

HOW WILL THE COAST GUARD MEASURE PERFORMANCE?

The Coast Guard has embraced performance management and the use of goals and performance measures, and has developed an effective means for measuring performance tied directly to the program's mission, vision, and long-term goals and strategies. It is using a Balanced Scorecard (BSC) approach, which emphatically links budget to performance.

The Balanced Scorecard (BSC) is a multidimensional framework for describing, implementing, and managing activities at all levels of an organization by linking objectives, initiatives, and measures to the organization's strategy. An organization's strategy must effectively be aligned at every level in the enterprise if it is to have any hope of succeeding. The scorecard provides an enterprise view of an organization's overall performance by integrating financial measures with other key performance indicators related to customer perspectives, internal business processes, and organizational growth, learning, and innovation. The BSC is not a static list of measures, but a framework for implementing and aligning complex programs of change and for managing strategy-focused organizations.[2]

The Coast Guard plans to use BSC to continually improve its business processes to become more productive. The BSC data will provide management with insight into maximizing operational effectiveness and minimizing total ownership cost.

WHAT MAKES THE DEEPWATER PROGRAM A MODEL OF EXCELLENCE?

In our Special Report, *Building the Model for Acquisition Centers of Excellence*,[3] we identified a number of ideals and approaches as overarching or emerging best practices toward becoming an acquisition 'center of excellence.' We acknowledged therein that there are many organizations that have adopted one or some of the approaches. Few, if any, have adopted most or all of them.

The Deepwater program exhibits a large number of these characteristics and approaches that demonstrate acquisition excellence, specifically—

- **A focus on acquisition, not procurement.** The foundation of excellence was established by the Coast Guard's incorporation of the entire acquisition life cycle into the planning and implementation of a strategy focused on system-wide outcomes.
- **Strong, effective leadership.** The Coast Guard's top management is dedicated to the success of the program, and it commenced phase two of the program by standing up a program executive office, led by Rear Adm. Patrick M. Stillman.[4] As Coast Guard Commandant Adm. Thomas H. Collins said recently, "The need for our Integrated Deepwater System has been important for quite some time. It is now urgent." In former Commandant Adm. James M. Loy's words, "We have recognized, as has industry, that we must be sure that this project is accomplished well for America—at every step along the way." We have stressed repeatedly in our writings the importance of strong, effective leadership in effecting results … the leadership drive and commitment behind the Deepwater program epitomize this ideal.
- **Use of effective teams.** This program is the work of many—in program offices, in the acquisition office, within the Coast Guard, and of acquisition experts from other areas of the government and from industry—who work as one, as a team, toward the same goals and objectives. The team is composed of outstanding, well-trained, and highly motivated people. The people carry a sense of stewardship, performance, and drive in line with the Commandant's and PEO's direction.
- **Use of performance-based, results-oriented approaches.** Communicating clear objectives, the Coast Guard, instead of opting for one-for-one replacement of cutters and aircraft, adopted a cutting-edge, performance-based (or "mission-based") acquisition strategy that gave three industry teams flexibility in designing "system-of-systems" solutions toward meeting the Coast Guard's missions. The Coast Guard has also described this method as capabilities-based, as its RFP described the *fundamental capabilities* the service needs to perform all of its mis-

sions. The focus is on a system-of-systems acquisition strategy as opposed to the buying of assets on a one-for-one basis.

- **Clear, mission-related objectives.** In the words of Rear Adm. Stillman, "We began with the end in mind!" Armed with a vision of what the end result should be, the Coast Guard established objectives that both the government and industry would strive to accomplish.
- **Use of positive contract incentives.** In many regards, the incentive aspects of this contract represent the ultimate in risk reduction. Aligning the Coast Guard's and contractor's goals and objectives results in shared responsibility for contract success.
- **Understanding and effective application of the due diligence process.** Deepwater's approach allowed for a full due diligence period to enable the prospective contractors to understand fully the opportunities, challenges and constraints facing the Coast Guard.
- **Partnership with industry.** The Coast Guard views its contractors as partners with whom it will work closely to ensure the achievement of the objectives. Industry is viewed and treated as an integral part of the "team."
- **Partnership with the Navy and other stakeholders.** Execution of the Deepwater program is guided by close cooperation and collaboration with the Navy. The Coast Guard/Navy Littoral Combat Ship Memorandum of Understanding allows each service to pursue complementary and interoperable approaches to attain greater efficiencies and commonalities. In the IDS C4ISR project, for example, there are several Navy representatives on the Integrated Product Team, including the Naval Sea Systems Command, the Space and Naval Warfare Systems Command, and the Office of Naval Research.
- **Partnership with federal, state, and local agencies.** This is a key theme of the new homeland security strategy and the new Department of Homeland Security's plan of action; it also will apply to IDS to ensure these external "customers" are included in its planning.
- **Acceptance of risk: Managing it, not averting it.** Any program of this magnitude will face significant risks. The Coast Guard has accepted the risks and has established thorough risk-mitigation plans to manage those risks effectively.
- **Use of commercial technology.** The Integrated Deepwater System strategy and approach emphasizes proven, commercial off-the-shelf "market-edge" technology, thus avoiding the high risk associated with design-to-spec or "bleeding-edge" technology.
- **Valuing people, training and education, and managing knowledge.** Rear Adm. Stillman recognizes that *people* are the heart and lifeblood of the acquisition program. The IDS program recently formed a strategic partnership with the Defense Acquisition University (DAU) to establish IDS as a Learning Organization (LO). A Learning Organization, a phrase coined by Peter Senge in his book, *The Fifth* Dimension, is an organizational concept that builds a framework to capture institutional knowledge across an entire organization, as well as providing a map for continuous improvement and refinement.[5] The goal of the learning organization, according to the Coast Guard, is "creating, acquiring, interpreting, transferring and retaining knowledge, and purposefully modifying its behavior to reflect new knowledge and insights within our Human Capital (people)."
- **Use of Balanced Scorecard to measure performance.** The Coast Guard is taking performance measurement seriously. It is using the Balanced Scorecard to measure performance and to improve its business process continually to become more effective.

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DOES DEEPWATER HAVE ANY "LESSONS LEARNED" TO SHARE?

Certainly, any time you try something new, lessons are learned. Rear Adm. Stillman shared a few of his lessons learned with us, as follows.

First, don't discount the challenge of implementing a system-of-systems approach. The performance-based system-of-systems approach requires a significantly different mindset—and acquisition plan and strategy—than does a typical, historical one-for-one asset-replacement strategy. The *sustainability* of a *system of systems* is naturally more important than any ACAT I,[6] Major Defense Acquisition Program acquisition. As issues arise with a particular asset or system, the impact of changes needs to be assessed on the larger system, as all of the pieces are interrelated. With that different mindset comes a need to manage the necessary change in culture that will naturally accompany the shift in acquisition processes. Don't underestimate the power of change management.

For a program of such transformational dimensions, you must have the willingness—and courage—to embrace intellectual, cultural, and technological change. You must not be averse to taking calculated risks once all dimensions of an issue have been carefully considered.

Second, never underestimate the importance of human capital. The knowledge, drive, and dedication of the members of the team truly drive the program. There is a natural tendency to overlook the importance of this area, but in order to establish a true sense of stewardship and customer focus, the members of the workforce must be given what they need to succeed.

CONCLUSION

The Coast Guard's Integrated Deepwater System has established itself as an Acquisition Model of Excellence, based on several characteristics that have carried it through to award of a multi-billion dollar, performance-based, mission-critical acquisition. That said, it has been our experience that conducting the source selection and awarding the contract is the easy part—relatively speaking. Post-award performance and meeting mission requirements are by far the more difficult tasks. We firmly believe that the tools are in place for the Integrated Deepwater System to succeed.

Deepwater's overarching objective is quite simple: the design, development, and acquisition of a 21st-century Coast Guard. Its consistent focus on the objectives—in other words, continuously keeping the "end in mind"—has allowed the Coast Guard to work through challenges and risk, and effectively team with its stakeholders and contractor to achieve mutual objectives. In meeting these objectives, we anticipate that the prime contract could pay for itself many times over.

Acquisition Solutions is proud to be associated with IDS. In the words of Rear Adm. Stillman, "...your contributions will have a lasting positive impact on this program of critical importance to the nation.[7]"■

ENDNOTES

[1] Coast Guard breaks ice with acquisition method, GAO says, Government Computer News, February 14, 2003. (http://www.gcn.com/vol1_no1/procurement/21152-1.html) (See page 1.)

[2] More information on the balanced scorecard is available in the Acquisition Directions™ April 2000 *Advisory*, *The Balanced Scorecard in Acquisition.* (See page 6.)

[3] Acquisition Solutions Special Report, *Building the Model for Acquisition Centers of Excellence*, Fall 2001. (See page 6.)

[4] Rear Adm. Stillman's bio is viewable at http://www.teamdeepwater.com/img/concepts/pdf/ICGSBios.pdf (See page 6.)

[5] *Team Deepwater and DAU Form Strategic Partnership*, Program Manager magazine, May-June 2002. (See page 7.)

[6] ACAT I is a major defense acquisition program (MDAP) subject to Defense Acquisition Board oversight and estimated by the USD(AT&L) to require an eventual total expenditure of more than $365 million in RDT&E funds, or $2.190 billion in procurement funds measured in FY2000 constant dollars. ACAT IA is a major automated information system (MAIS) acquisition program that is estimated to require program costs in any single year in excess of $32 million, total program costs in excess of $126 million, or total life cycle costs in excess of $378 million measured in FY 2000 constant dollars. (See page 8.)

[7] Acquisition Solutions™' Independent Assessment of the Integrated Deepwater System acquisition is viewable on our website at http://www.acqsolinc.com/docs/deepwater_assessment.pdf (See page 8.)

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